



DEPARTMENT OF THE NAVY
COMMANDER NAVY REGION SOUTHWEST
937 NO. HARBOR DR.
SAN DIEGO, CA 92132-0058

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IN REPLY REFER TO:

COMNAVREGSWNOTE 5840

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COMNAVREGSW NOTICE 5840

Subj: 2004-2005 VOLUNTEER INCOME TAX ASSISTANCE AND ELECTRONIC
INCOME TAX FILING PROGRAM

Ref: (a) ELF Manual, Electronic Income Tax Filing Program,
United States Navy, 1997 Edition (22 Sep 97)

1. Purpose. To implement standard policies for the Navy Volunteer Income Tax Assistance and Electronic Income Tax Filing (VITA/ELF) Program, per reference (a), within the Southwest Region.

2. Background and Scope. The VITA/ELF program for the upcoming 2004-2005 tax season will provide federal and state income tax preparation services to active duty and retired military personnel and their families. Success of this valuable quality of life program depends upon active support and participation from all commands within the San Diego, Ventura County, and Lemoore areas.

a. Personal income tax return preparation is often perceived as a complicated and time-consuming activity. Consequently, many service members refrain from preparing their own returns, instead paying private businesses to do so for them. Moreover, some members who pay such private businesses for tax assistance elect to receive "instant refunds," which amount to short-term loans at high interest rates. In addition, members choosing to prepare their own tax returns occasionally fail to claim legitimate deductions and credits, resulting in a lower refund than they would otherwise be entitled.

b. The Navy has an interest in ensuring that Sailors file their personal income tax returns accurately and expeditiously, without having to resort to paying commercial preparers. To achieve this goal, the Navy has implemented the VITA/ELF program that offers both free preparation assistance and electronic filing to active duty military personnel and their families. As a result, service members can have their returns processed more accurately, and those choosing to file their returns electronically will receive their refunds sooner than would otherwise be possible.

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c. This past year, over 24,000 federal and state tax returns were prepared and filed through the VITA/ELF program in the Southwest Region. In all, Southwest Region Sailors and military families received more than \$20 million in total refunds and saved more than \$3 million in tax preparation and e-filing fees. The continued success of this important CNO-sponsored program depends on the contribution and support of all.

3. Action

a. Naval Legal Service Office Southwest (NLSO SW).
Commanding Officer, NLSO SW has primary responsibility for the organization and operation of Naval Legal Service Command (NLSC) Tax Centers within the Southwest Region, training of tax return preparers operating within those centers, and submission of all required reports to the Office of the Judge Advocate General (Code 16) and the Internal Revenue Service (IRS). Specifically, Commanding Officer, NLSO SW will:

(1) Appoint a Regional Tax Officer (RTO) for the upcoming 2004-2005 tax season. The RTO will be responsible for the computer hardware and software and material set-up at each NLSC Tax Center, and for the training of all tax preparers.

(2) Accept nominations and screen qualifications for site supervisors.

(3) Establish Tax Center dates and hours of operation and publicize the services of the Navy's VITA/ELF Program. Publicity efforts shall include the aggressive use of base and command newspapers, base billboards, naval messages, flyers, posters, LES notices, and other appropriate measures.

(4) Train all Command Tax Coordinators (CTCs) and individual volunteer income tax assistants in the proper preparation of income tax returns and the safeguarding of personal financial information. Commanding Officer, NLSO SW may establish different levels of qualification for tax preparers. Tax preparers who were trained in previous years must be familiarized with changes to the Internal Revenue Code. CNRSW may provide funding for some regional tax officer and site supervisor off-site training.

(5) Set up NLSC Tax Centers at host commands, including the establishment of computer workstations. CNRSW will provide

the periodic funding for paper, printer toner, and other necessary office supplies.

(6) Supervise the efforts of all site supervisors during the 2004-2005 tax season. Commanding Officer, NLSO SW may establish guidelines for the type of income tax returns that are beyond the program's scope or competence of Navy preparers.

(7) Correct any tax returns rejected by the electronic filing program computer software manufacturer or the Internal Revenue Service.

(8) Complete all required reports, pursuant to reference (a), for the Office of the Judge Advocate General (Code 16), the IRS, and other cognizant agencies.

(9) Submit personnel awards and letters of commendation for deserving tax preparers. Because of the volunteer nature of tax preparer duties, the long hours and intensive effort required during peak periods, and the importance of this quality of life program, such personnel recognition shall be encouraged to the maximum extent.

b. Host Command. Naval Base San Diego, Naval Base Coronado, Naval Base Ventura County, and Naval Air Station Lemoore (areas where NLSO Southwest personnel can properly oversee Tax Centers) are designated as host commands and will be responsible for:

(1) Providing a suitable location(s) for a Tax Center. Centers must be available from January through April 2005 with sufficient space for six to ten tax preparers, their computer workstations and telephone lines, and a suitable waiting area for customers.

(2) Funding the cost of telephone service and postal charges incurred in the course of Tax Center operations.

(3) Provide a minimum of one high-speed laser jet printer for use by each Tax Center.

(4) Provide one 56,600 bps or higher data capable modem, as needed.

(5) Coordinate with the RTO to meet the requirements of subparagraphs (1)-(4) above.

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c. Navy Region Southwest Commands

(1) Consistent with available resources and operational and security requirements, NRSW Program-Directors will identify specific personnel to be detailed to NLSO SW or its branch offices by 3 December 2004, and detail those personnel to the NLSO SW regional RTO not later than 3 January 2005 for duty through the end of the tax season (approximately 15 April 2005).

(2) Southwest Region shore commands that are not in CNRSW chain of command and non-deployed afloat and aviation units not establishing a command-specific tax center within their commands are requested to provide volunteers to support this important service. Recommended ratios are published below.

<u>Activity Size</u>	<u>Manning Provided</u>
25-50	1 day/week
50-100	2 days/week
100-150	3 days/week
150-200	4 days/week
200-250	5 days/week
250+	1 full-time TA for every 250 personnel

(3) Selected personnel should have good arithmetic and computer skills and be available for assignment to NLSC Tax Centers from January 2005 through April 2005.

(4) Identifying personnel by 3 December 2004 and detailing them no later than 3 January 2005 will allow NLSO SW time to arrange for the appropriate number of classrooms and instructors and appropriately train all volunteers prior to the opening of the Tax Center.

(5) Coordinate with NLSO SW Regional Tax Officer to meet the requirements of subparagraphs (1) and (2) above.

4. Cancellation contingency. This notice will remain in effect until superseded by another notice of the same subject matter.



M. R. ALLEN
Chief of Staff

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